PR-07
PLANNING AND PROGRAMMING GUIDANCE
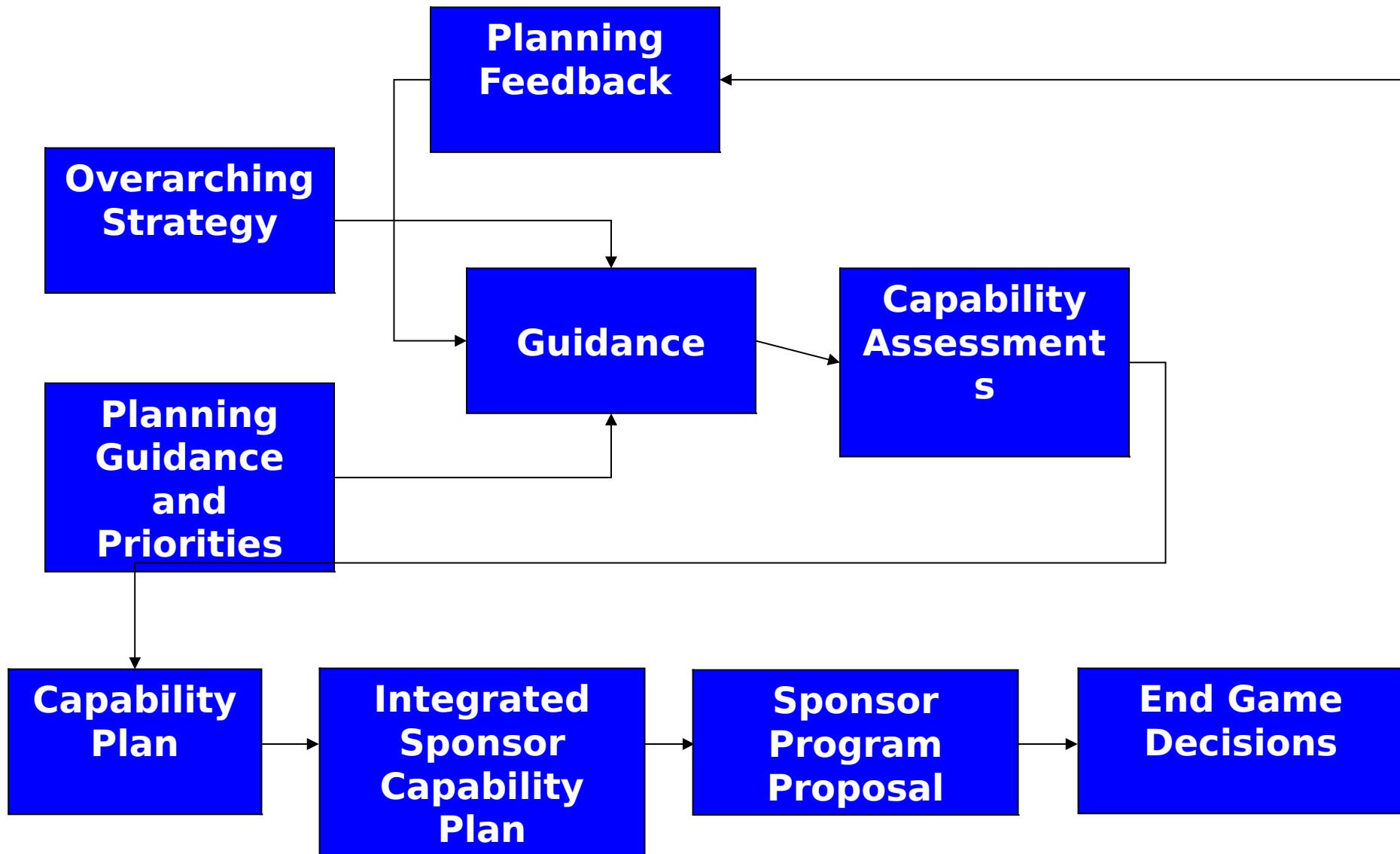
Presented By
NETC N81

PURPOSE

- **Provide Initial PR-07 Guidance to Component Commands**

T&E PLANNING AND PROGRAMMING PROCESS

PR-07 TIMELINE

Event	Estimated Start Date	Estimated End Date
PR-07 Kick-Off Site Visits	13 SEP 04	30 SEP 04
Capability Assessments		
Tier 1 Briefings	1 OCT 04	15 NOV 04
Tier 2 Briefings	16 NOV 04	15 DEC 04
CP Briefing	15 DEC 04	15 JAN 05
CP Document	15 DEC 04	1 FEB 05
ISCP Briefing	15 JAN 05	1 MAR 05
SPP Briefing	1 MAR 05	20 APR 05

Note: There Will Be Parallel Manpower, AT/FP, etc. Processes Working With Its Own Discrete Deadlines

PR-07 ROADMAP

- **Issue Guidance 10 Sep 04**

- **Conducting PR-07 Kick-Off Site Visits**

- **Finalize Tier 1 Program Review**

  Schedule

- **Schedule Tier 2 Program Reviews**

- **Update Guidance as Distributed by**

  DoD / DoN

- **Develop Capability Level Options**

POINTS OF CONTACT

- **Mr. Jim Bouzios DSN 922-4984**

- **Mr. Trey McDonald DSN 922-9062**

Questions?

LINKED SLIDES

PLANNING FEEDBACK

- **POM-06 Results**

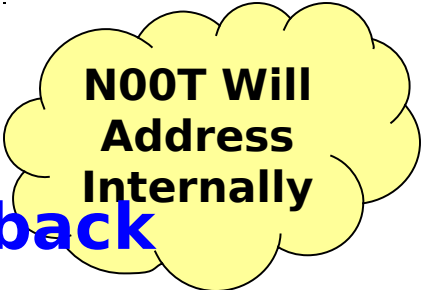 - **Submitted Balanced Sponsor Proposal**

- **Evaluate Budget and Execution Year**

  Impacts

  - **Flight Human Capital Strategy**

  - **PME Individuals Account (IA)**

  - **Naval Reserve IA Bill**

- **POM-06 Process - Customer Feedback**

N00T Recognizes Potential Problem

N00T Will Address Internally

POM-06 RESULTS

- **Accessions Training**
  - **Fully Support Reduced Navy Active Duty End Strength Requirements**
  - **Adjusted Student Levels and Funding**
- **Specialized Skills Training**
  - **Added Funding to Support Implementation of RIT**
- **Flight Training**
  - **Funded Based on Proposed Aviation Human Capital Strategy**
  - **Reductions in Fleet Requirements Due to Changes in Types and Quantity of Aircraft**
  - **Restructured Training Aircraft Maintenance Contracts for Efficiencies**
- **Professional Military Education**
  - **Expanded PME Capability**
- **Off-Duty / Voluntary Education**
  - **Fully Funded**

POM-06 PROCESS
Customer Feedback

Item	Statement	Avg
1	Overall planning guidance was clear and concise	3.67
2	POM/PR site visits are helpful	4.22
3	The program review process works efficiently and effectively	3.56
4	Briefing formats / templates were helpful and user-friendly	3.67
5	Timelines and deadlines were reasonable	3.44
6	N00T and NETC staffs were helpful and accessible	4.57
7	N00T and NETC clearly state priorities/needs and communicate expectations throughout the PR process	3.56
8	Sufficient time, guidance and resources were provided to successfully develop Tier I briefings	3.33
9	Overall, the Tier I briefing was useful and added value to the process	3.89
10	You were provided feedback on your Tier I brief	4.33
11	This feedback was helpful	3.89
12	The NETC PPBS issue submission process is user-friendly and properly formatted to highlight your program issues	3.67
13	The information you provided was effectively used in the POM-06 decision making process	4.38

1 – Strongly Disagree	5 – Strongly Agree

OVERARCHING STRATEGY

- **DoD**
  - **Transformation Road Map**
- **Navy**
  - **CNO Goals and Guidance**
  - **Sea Power 21**
  - **Fleet Response Plan**
  - **Fleet Training Strategy**
  - **N6 / N7 Pillars**
  - **Naval Transformation Roadmap**
- **N00T / NETC**
  - **Strategic Plan**
  - **Human Capital Strategy**
- **Component Command**
  - **Strategic Plan**

PLANNING GUIDANCE AND PRIORITIES

- **PR-07 Guidance Not Yet Issued – Later in Process**
  - **CNO N1 Conducting Manpower Strategy Meetings**

- **Continued Emphasis**
  - **Using Performance Models**
  - **Conducting Cost-Based Capability Analyses**
  - **Determining Levels of Investment Opportunities**
  - **Reducing the Cost of Readiness**
  - **Improving Productivity**

- **Address 5 Percent TOA Reductions**
  - **Strategy to Implement and Impact of Reductions**

- **Other Shore Manpower and Infrastructure Reductions**

Aggressive Review of Planned MILCON

PROPOSED MANPOWER GUIDANCE

- **Current CNP Strategy**
  - **Minimal Change to FY07 Active Duty End Strength - 348,6...**
  - **Possible Additional Reduction in FY08 - 7,000 to 9,000**
  - **Possible Draw Down to 319,591 by FY11 in Future POM Cycles**

- **N00T / NETC Strategy**
  - **OCT 04: Submit NETC Unfunded Manpower Requirements - If Any**
  - **OCT 04: Resubmit NETC Intelligent Target CIVSUB Issue**
    - **Requires Position-Level Detail for Requested Civilian Positions**
  - **FEB – MAR 05: Identify Manpower Impact of Revised Accessions Targets**
  - **FEB – MAR 05: Identify Any Additional RIT Savings**
  - **FEB – MAR 05: Provide Recommendations:**
    - **Reserve ZBR Implementation**
    - **Reserve Boot Camp / "A" School Implementation**
    - **Other Unfunded Requirements**
  - **APR 05: Identify Emergent Manpower Issues for SPP - Work With N1 / N8**

Any NETC Military Manpower Growth Requires Offset

CAPABILITY ASSESSMENTS

- **Products**
  - **Tier 1 and 2 Program Reviews**
  - **Capability Plan**
- **Tier 1 and 2 Program Reviews – Approach**
  - **Assess Current and Future Capabilities**
    - **Valid Requirements to Justify Programs**
    - **Prioritize All Requirements (Not Just Unfunded)**
    - **Funding and End Strength to Sustain Programs**
    - **Emergent Requirements**
  - **Highlight Potential Savings / Efficiencies**
  - **Use Models Where They Exist**
  - **Address Focus Issues**
- **Capability Plan**
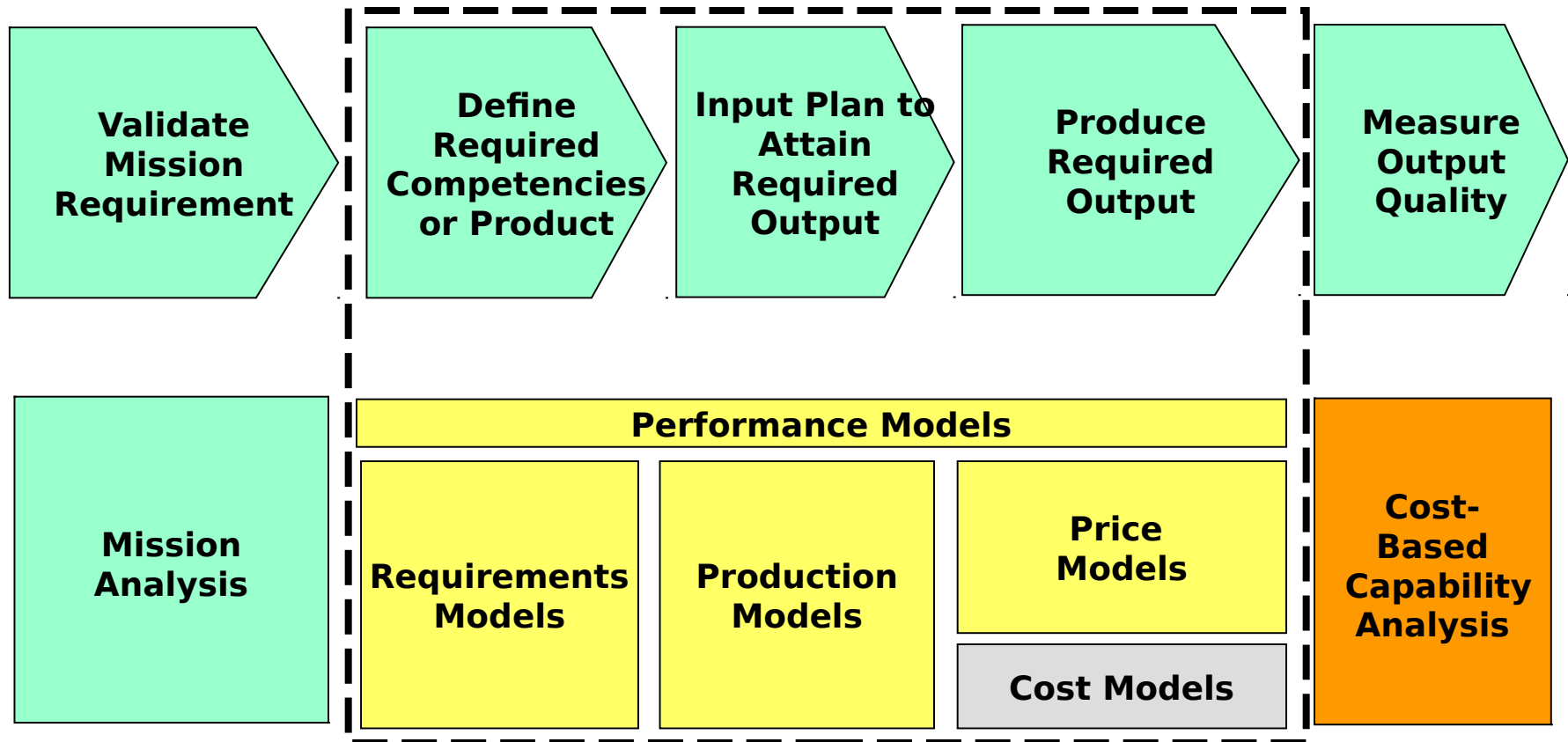 - **Cost-Based Capability Analysis**

Prioritize Entire Program, Not just Unfundeds

ASSESSMENT APPROACH

Requirement	Product	Demand Basis for Production Plan	Production Plan	Output & Feedback

Identify and Assess Processes and Outputs of Key Business Sectors

Validate Mission Requirement	Define Required Competencies or Product	Input Plan to Attain Required Output	Produce Required Output	Measure Output Quality

Mission Analysis	Performance Models			Cost-Based Capability Analysis
	Requirements Models	Production Models	Price Models	
			Cost Models	

Evaluate Interdependencies of Business Sectors Via Modeling

VALIDATE MISSION REQUIREMENT

> ***Requirements Should be Prioritized and Based On Valid Fleet and Navy Needs...***

- **Fleet Mission Tasking**
  - **JMETLs**
  - **NMETLs**
  - **ROC / POE**
- **Policy: DoD / CJCS / DoN Directives**
- **Statute: Title 10 U.S. Code**
- **Strategy**
  - **Strategic Planning Documents**
  - **Sea Power 21**
  - **CNO Guidance**

DEFINE SKILLS OR PRODUCT

- **Overall Assessment**
  - **Discuss How Skill Sets Determined**
    - **Define Methodology and Identify Stakeholders**
  - **Evaluate Effectiveness of Methodology**
  - **Determine Extent to Which Skills Meet Fleet Requirement**
  - **Determine Extent to Which HPSM Applied**

- **Improvement Opportunities**
  - **Determine Factors Which Make Product Definition Difficult**
    - **Changing Environment, Vague Fleet Requirement, Lack of Consensus…**

- **Risk**
  - **Define Risks of Inaccurate Product Definition**
    - **Where / When Risk Occurs and Potential Consequences**
  - **Characterize Risk As Low, Medium or High**
    - **Factors Driving Risk - Timeline, Method Used, Expertise, Funding…**

INPUT PLAN

- **Overall Assessment**
  - **Discuss Methodology Used to Project Inputs**
    - **Define Methodology and Identify Stakeholders**
    - **Provide Status of Performance Model Development**
  - **Evaluate Effectiveness of Methodology**
  - **Determine Extent to Which Quantity Meet Fleet Requirements**
- **Improvement Opportunities**
  - **Factors Making Input Projection Difficult**
  - **Identify Potential Improvements**
- **Risk**
  - **Define Risks of Inaccurate Input Projections**
    - **Where/ When Risk Occurs and Potential Consequences**
  - **Characterize Risk As Low, Medium or High**
    - **Factors Driving Risk - Timeline, Method Used, Expertise, Funding...**

PRODUCE REQUIRED OUTPUT

- **Overall Assessment**
  - **Determine Capability to Produce Product**
  - **Define Methodology**
  - **Discuss Process Used to Prioritize Requirements**
  - **Evaluate Capacity and Infrastructure**
  - **Identify Resources Required to Meet Capacity**
    - **Identify Unfunded Requirements**
  - **Provide Status of Performance Model Development**
- **Improvement Opportunities**
  - **Factors Making Production Difficult**
  - **Identify Productivity Enhancements and Process Efficiencies**
  - **Address Potential Reductions in Capacity and Infrastructure**
- **Address 5 Percent TOA Reductions – Strategy and Impact**
- **Risk**
  - **Define Risks of Insufficient Capability or Capacity**
  - **Characterize Risk As Low, Medium or High**

MEASURING OUTPUT QUALITY

- **Overall Assessment**
  - **Discuss How Product Quality Determined**
    - **Define Methodology and Identify Stakeholders**
  - **Evaluate Effectiveness of Methodology**
  - **Determine Extent to Which Product Quality Meets Fleet Requirement**
  - **Determine Extent to Which HPSM Applied**
- **Improvement Opportunities**
  - **Factors Making Product Quality Measurement Difficult**
  - **Identify Potential Improvements to Product Quality**
- **Risk**
  - **Define Risks of Not Effectively Measuring Product Quality**
    - **Potential Consequences**
  - **Characterize Risk As Low, Medium or High**
    - **Factors Driving Risk - Timeline, Method Used, Expertise, Funding...**

PERFORMANCE MODEL SCHEDULE

Program	Start Date	To N81	Accredited by CNO N81
Flight (NAIP / Requirements)	**Jun 03** ✓	**Dec 03** ✓	**Accredited** ✓
IA Projection	**Dec 03** ✓	**May 04** ✓	**Accredited** ✓
Enlisted Accessions	Jan 04 ✓	Sep 04	
Voluntary Education			
Tuition Assistance	Jan 04 ✓	Aug 04 ✓	
Remainder VOLED	Jan 04 ✓	Nov 04	
Flight (IPP / Production / Pricing)	Feb 04 ✓	Dec 04	
Initial Skills	Apr 04 ✓	Dec 04	
Officer Accessions	Jun 04 ✓	Sep 05	
PME- Naval War College	Sep 04	Mar 05	
PME- Naval Postgraduate School	Sep 04	Sep 05	
Skills Progression	Oct 04	Jun 05	
Functional Skills	Jan 05	Sep 05	

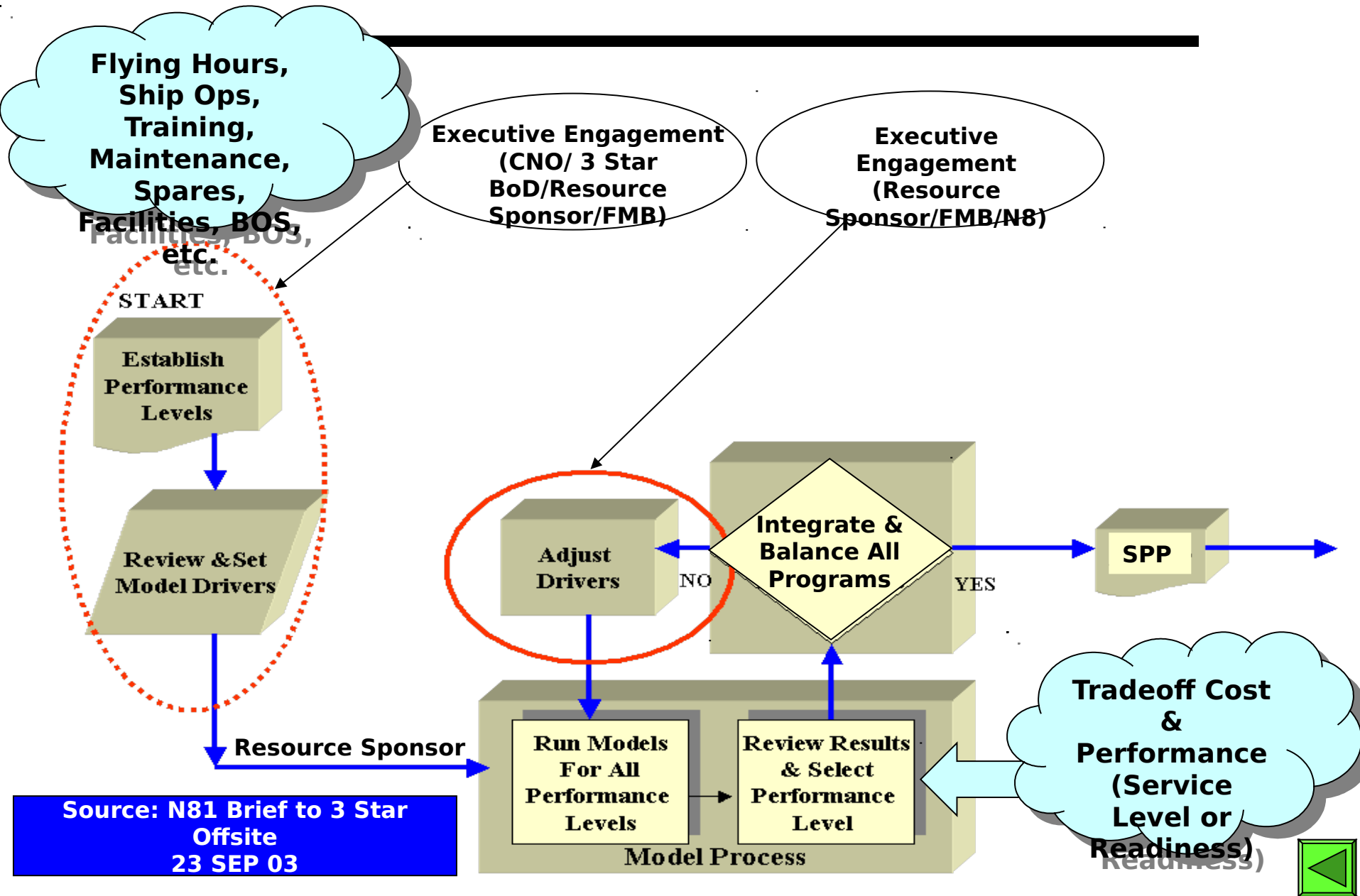**Performance Models Will Cover 92% of NETC Resources**

COST-BASED CAPABILITY ANALYSIS

- **Conducted After Tier 1 and Tier 2 Program Reviews**
- **Establishing Performance Level Options**
  - **Coordination of Levels With Appropriate Stakeholders Required**
- **Objectives**
  - **Determine Point Where Additional Investment Results in Diminishing Capability**
  - **Examine Risk for a Given Reduction in Investment**
    - **Identify Risk to the Navy - Not Just Reduced Numbers Trained**
  - **Identify Business Efficiencies or Technology Improvements That Increase Capability**

PERFORMANCE-BASED COST ANALYSIS

Flying Hours, Ship Ops, Training, Maintenance, Spares, Facilities, BOS, etc.

Executive Engagement (CNO/ 3 Star BoD/Resource Sponsor/FMB)

Executive Engagement (Resource Sponsor/FMB/N8)

START

Establish Performance Levels

Review & Set Model Drivers

Adjust Drivers

NO

Integrate & Balance All Programs

YES

SPP

Resource Sponsor

Run Models For All Performance Levels → **Review Results & Select Performance Level**

Model Process

Tradeoff Cost & Performance (Service Level or Readiness)

RISK ASSESSMENT FRAMEWORK

- **Identify Likely Outcomes**

- **Assign Level of Severity to Each Outcome**

- **Assign Probability of Occurrence**

- **Assign Risk Assessment Score**

CAPABILITY PLAN

- **Prepare Capability Plan Brief**

  - **Consolidate Program Review Data and Cost-Based Capability Analyses**

- **Brief Capability Plan to Component Commanders**

- **Begin Update of Capability Plan Document**

INTEGRATED SPONSOR CAPABILITY PLAN

- **Capability Options**
  - **Identifies Capability to Meet Requirements**
  - **Highlights Funding and Manpower Shortfalls**
  - **Identifies Potent**
- **ISCP Brief**
  - **2-Star BOD**
  - **3-Star BOD**
  - **CNO Forum**
- **Complete and Sign Out ISCP**

Expectations:
- **Have Paid Bills Internally**
- **Provide Options at Reduced Capability and Funding Levels**

SPONSOR PROGRAM PROPOSAL

- **Refine Capability Options Based on BOD / CNO Input**

- **Develop Program Proposal Alternatives**
  - **Proposed Funding Control Adjustments**

- **SPP Briefs to 3-Star BOD and CNO Forum**

- **Update Programming and Budgeting Information System**

END GAME DECISIONS

- **CNO N80 Balance Resource Sponsor Submissions With CNO / SECNAV Priorities Within DoN TOA**

- **3-Star Board of Directors**
  - **Review Program Decision Recommendations**
  - **Chaired by DNS, Plus 3-Stars**

- **CNO Forum**
  - **Review and Program Decisions**
  - **Chaired by CNO, Plus VCNO and 3-Stars**

- **CNO Decisions Form Tentative POM (T-POM)**

Meeting Navy Goals and Objectives